

Segmentation Update

prepared for  *February 2017*

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background & objectives

background & objectives

DDB is developing a campaign for Energy Upgrade California to help empower California residents to become energy stewards. A segmentation study was commissioned to gain a better understanding of the mindsets of Californians when it comes to energy savings and conservation.

More specifically, this aims to:

- Determine the optimal targets by identifying consumer mindsets, needs and behaviors
- Determine what motivates each of the segments
- Determine current behaviors for each segment and how this behavior differs across segments
- Profile segments in depth to understand key differences (e.g. media habits, activities, etc.)

While the primary focus of this research segmentation will help inform development for the upcoming campaign, this also establishes a baseline that will be used to measure the impact of the marcom over time.



methodology

methodology | quant

target audience



N=5000

- CA residents
- Ages 18+
- Demographics representative of CA (within +5%): ethnicity, gender, county population
- Survey offered in English or Spanish

methodology



Field Dates:
January 19 – February 7



~25 min
online survey

energy consumer landscape

key insights – attitudes & behaviors

- The Californian mindset largely aligns with the upcoming campaign (i.e. small changes make a big difference).
- Though with regards to energy specifically, there is less clarity around how each individual can play a role at a local or state level.
- Cost and altruism (e.g. being a more thoughtful human, less wasteful) are top motivators for becoming more energy efficient.
- However the reality is that convenience, simplicity and again, cost are big factors in actually practicing energy efficiency.
- Utility providers and the web are most frequented channels to consume energy-related information, making them optimal for messaging placement.

key insights – KPIs

- EUC awareness is healthy (but potentially overstated), and familiarity is low. Ideally the campaign will help to deepen understanding of EUC and its initiatives.
- While awareness and openness to adopt energy efficient practices is high, improving consistency will be a key challenge.
- Thus, consider targeting low risk actions first (e.g. turning off lights and TV), because as energy management becomes more habitual, it may in turn become easier over time.
- As some actions are less intuitively associated with energy waste, continue to educate Californians and increase awareness about where and how to lessen usage.
- Californians are highly motivated by cost savings– use messaging to showcase how taking compounded low risk actions can impact their bottom line.

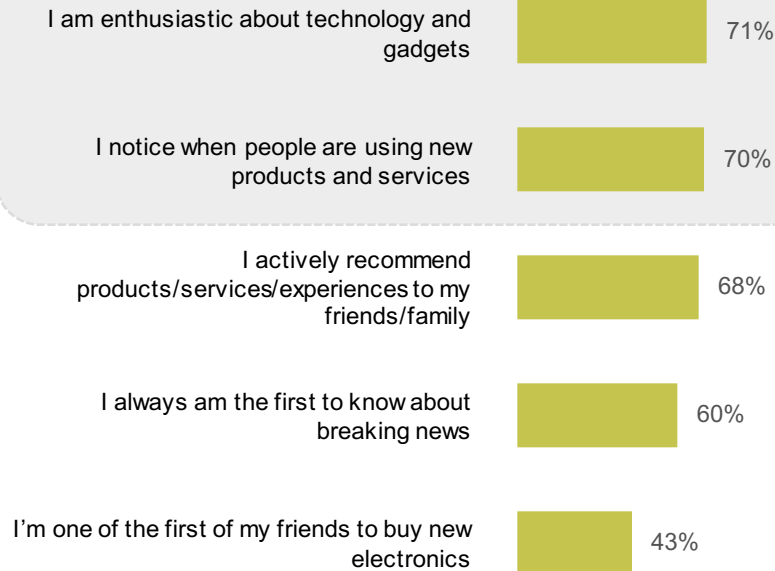
Overall, Californians view themselves as open minded, take pride in their state, and tend to be more tech-engaged.

psychographics (top 2 box)

Personal Attitudes

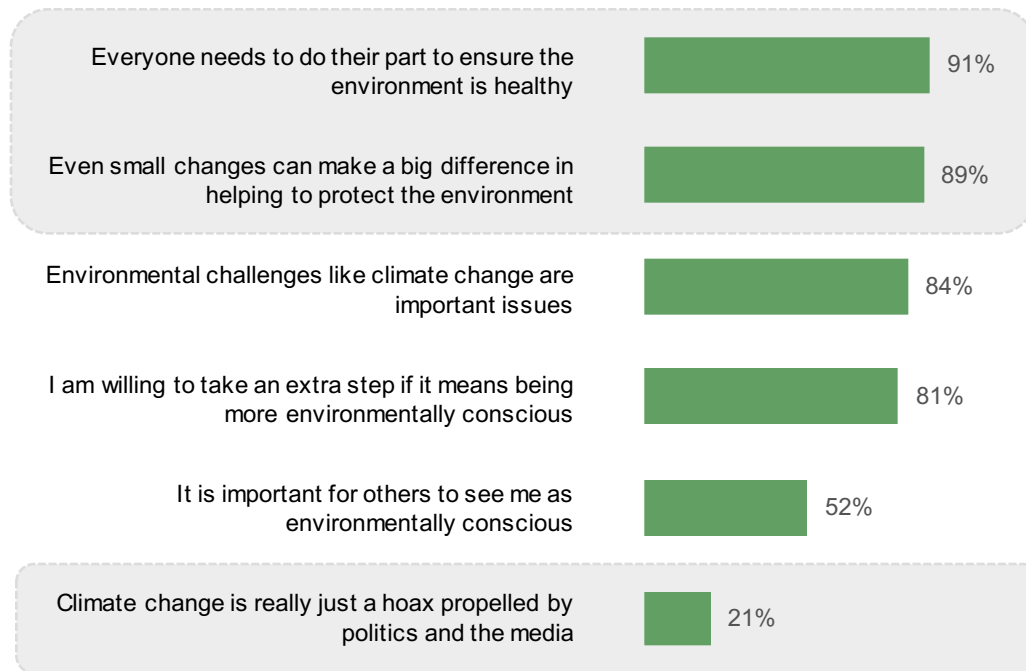


Technology Attitudes



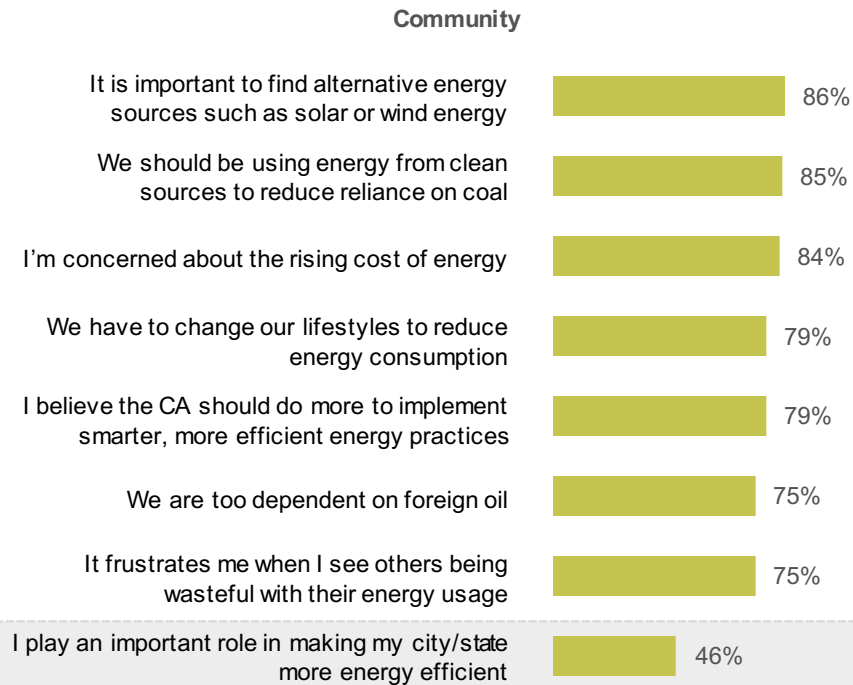
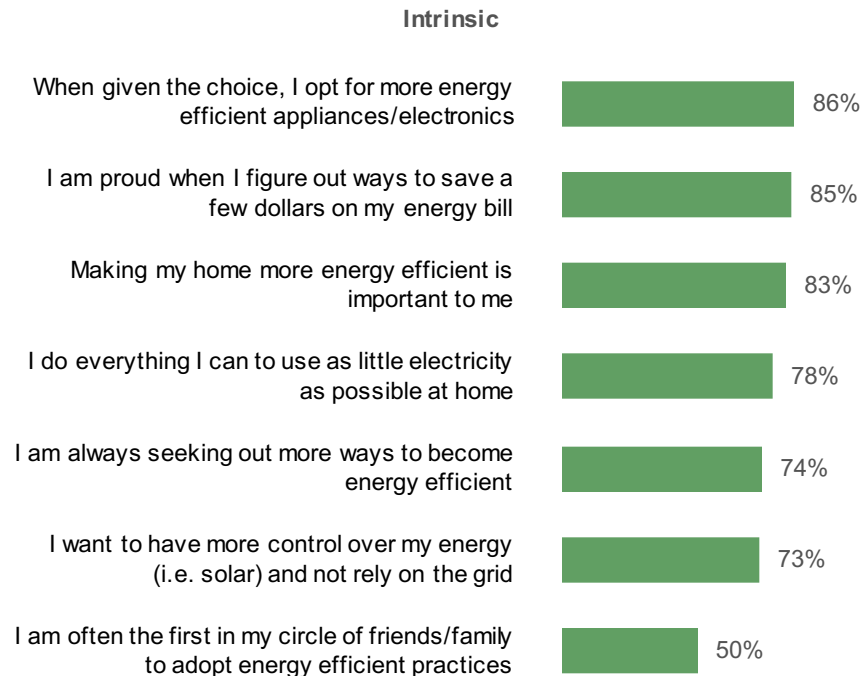
There is common agreement that climate change is real, and that everyone plays a role in protecting the environment, no matter how small.

attitudes toward environment (top 2 box)



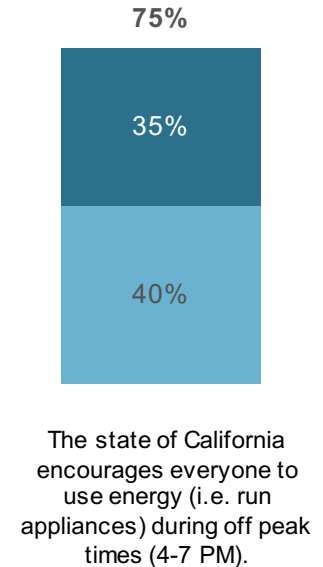
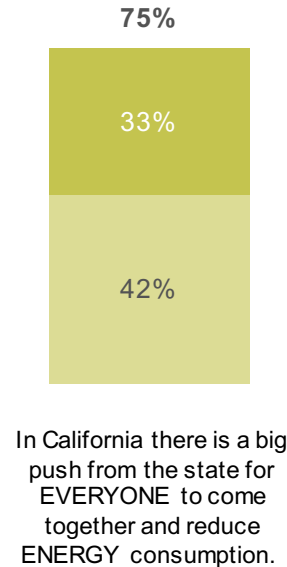
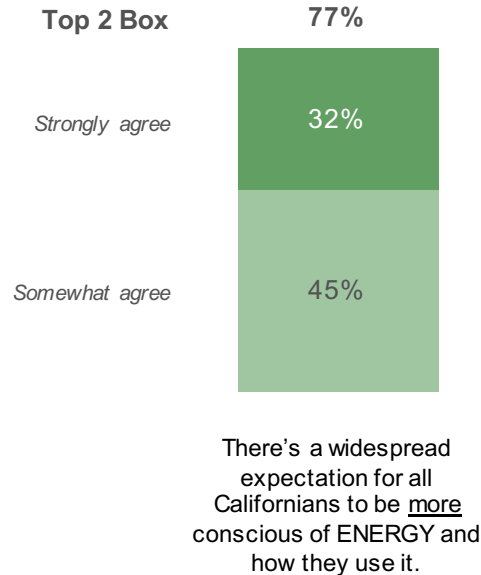
Energy efficiency is important to most and interest in doing more is desired, however, there is less understanding in individual roles as part of the big picture.

attitudes toward energy – individual & community (top 2 box)



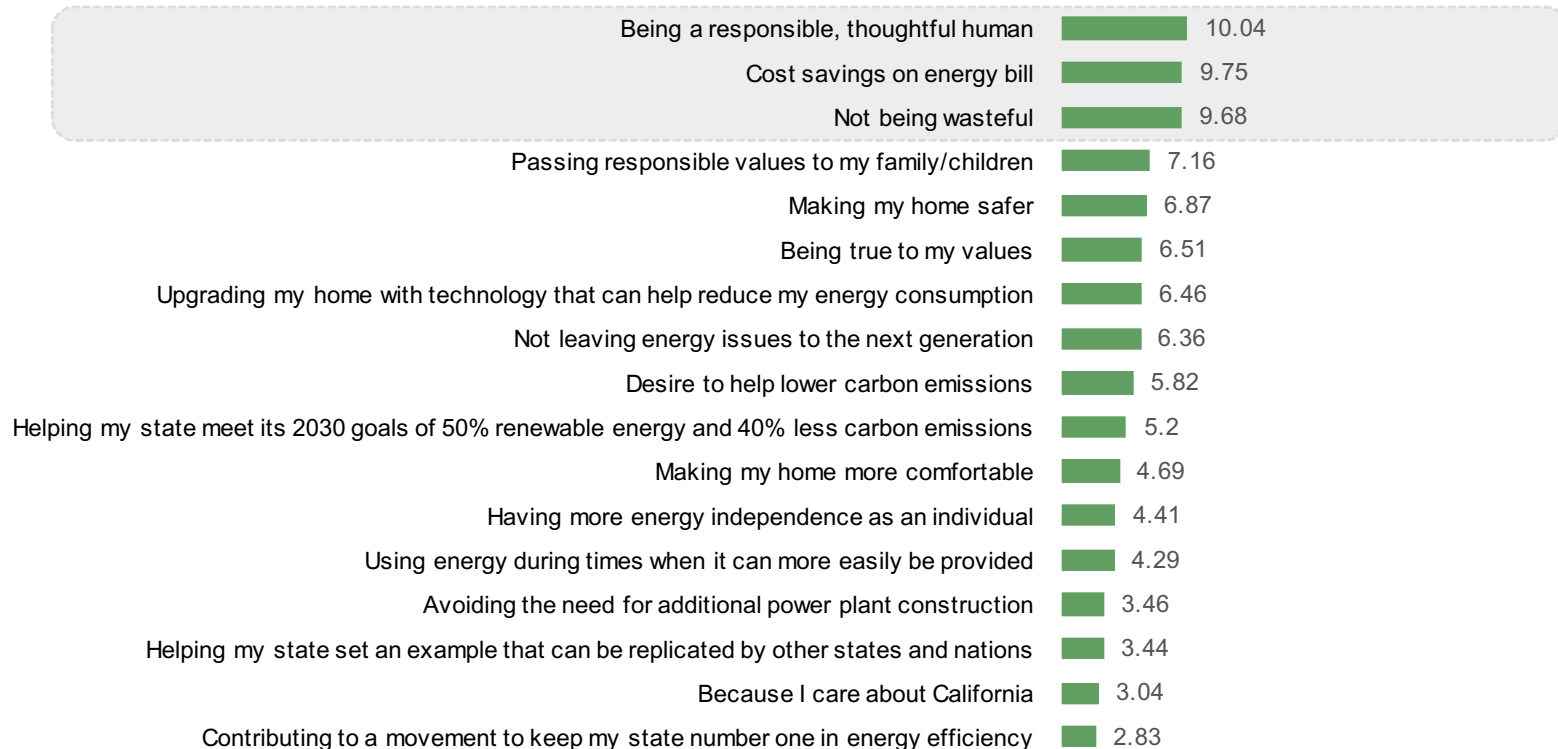
Most Californians are tuned in to the energy conversation.

ca perceptions



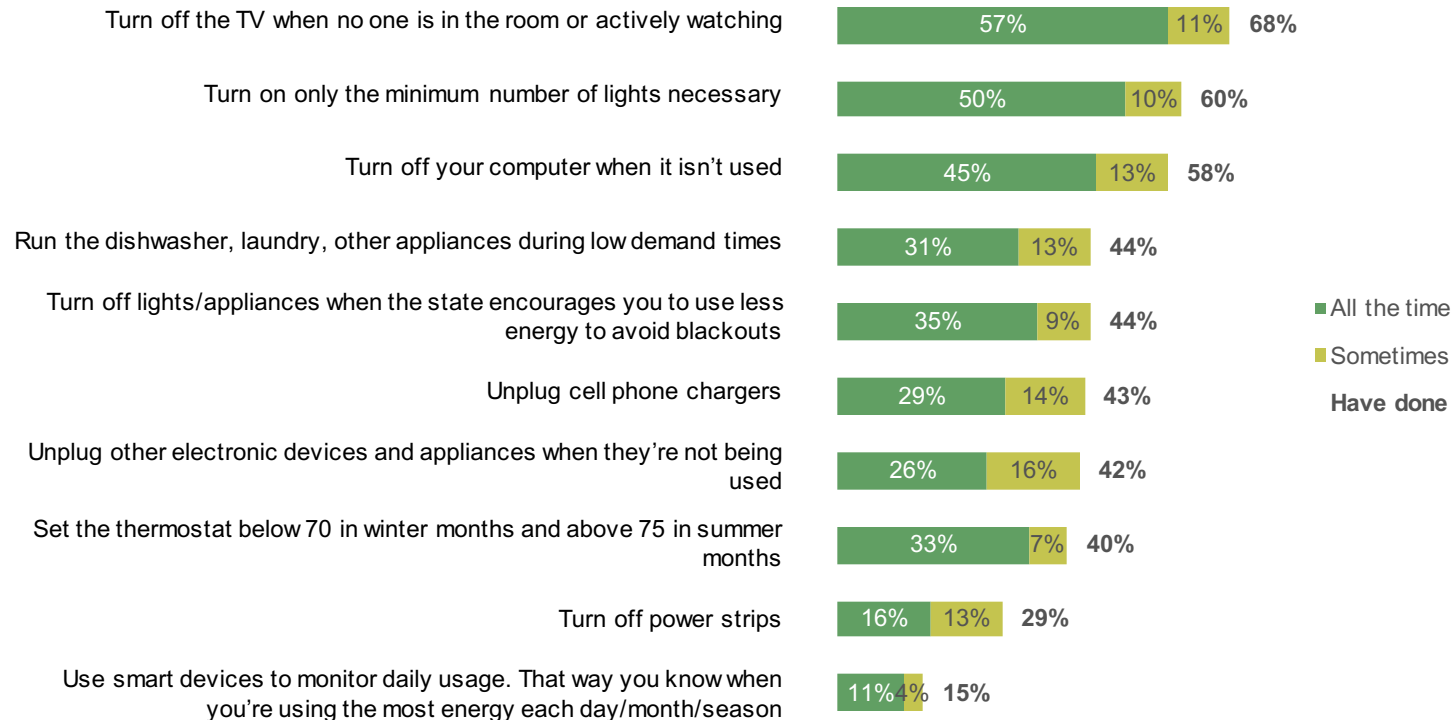
Personal ethics and cost savings are biggest drivers in becoming more energy efficient.

motivations



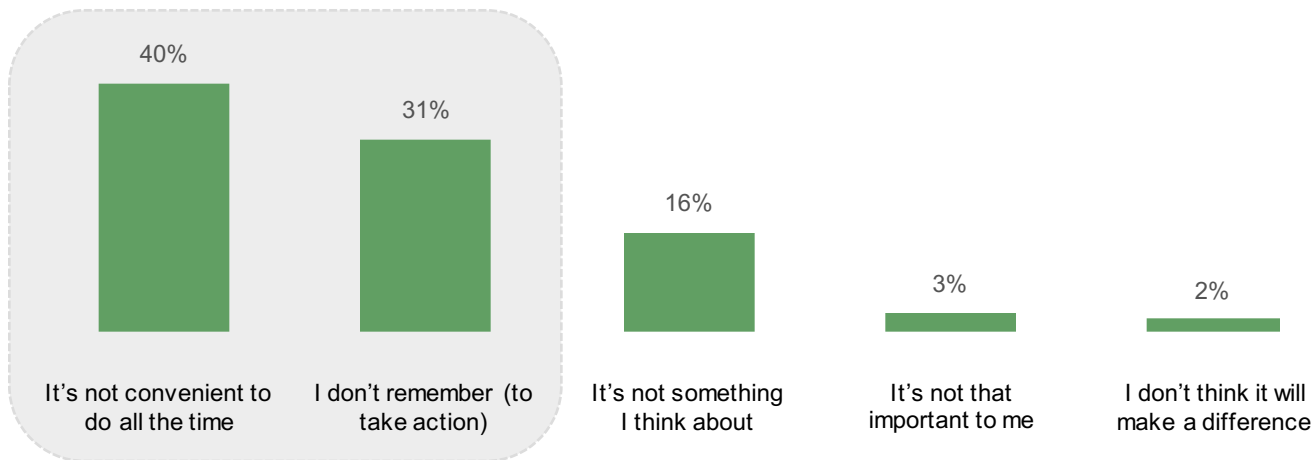
Frequency is higher for actions where energy usage is more obvious (i.e. a switch or power button).

frequency of actions



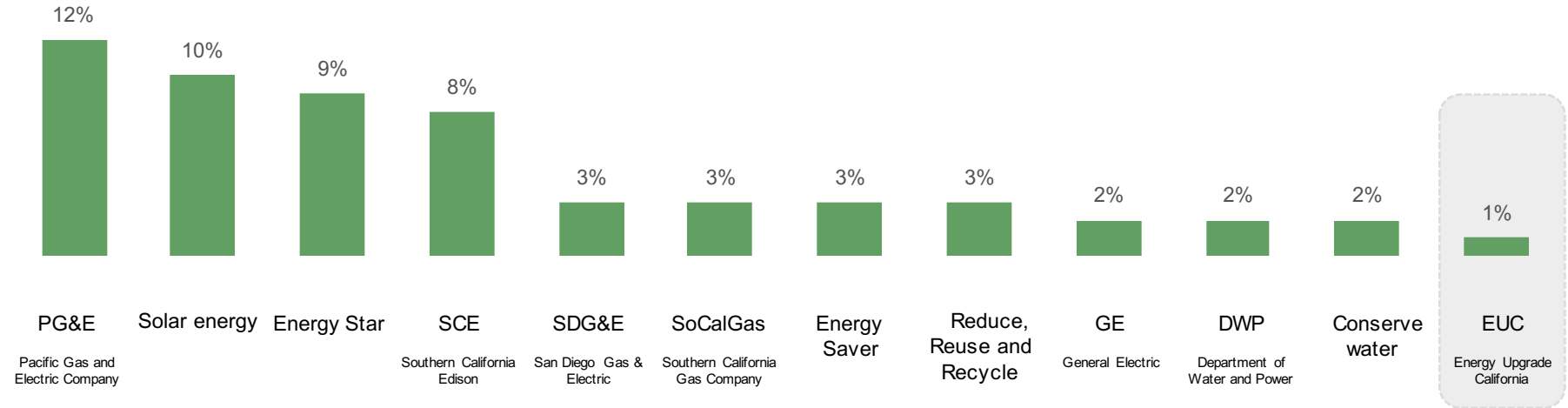
Convenience and top of mind awareness are the key barriers to making actions routine.

reasons for not taking actions regularly



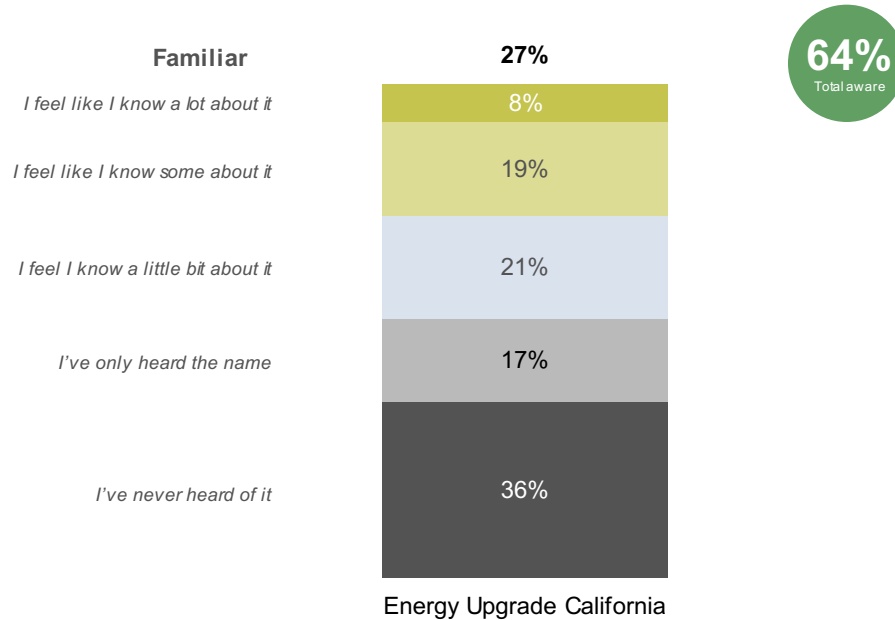
Unaided awareness is low across the category, speaking to the opportunity for EUC to lead the energy movement.

unaided awareness



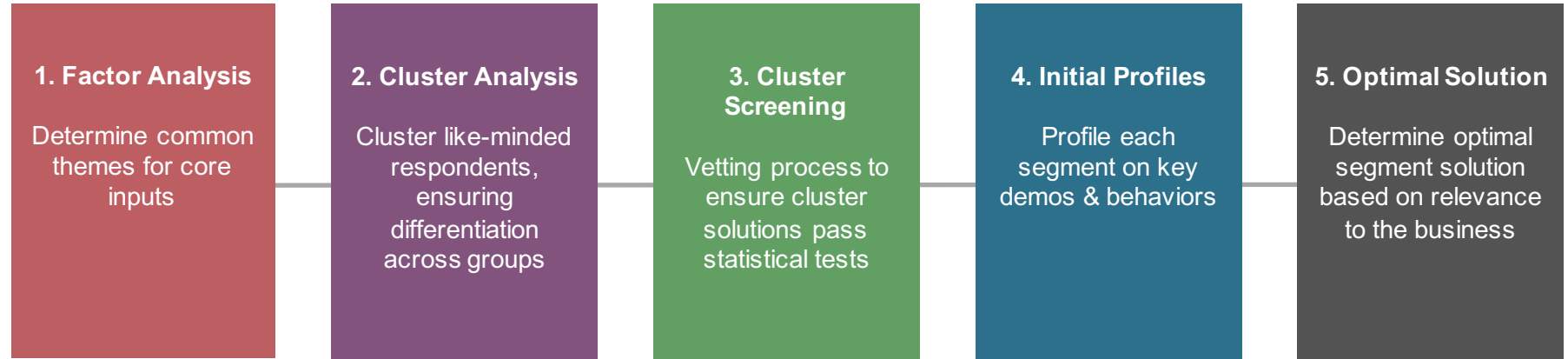
Although over half of respondents are aware of EUC, familiarity is low.

aided awareness & familiarity



the segmentation process

the segmentation process

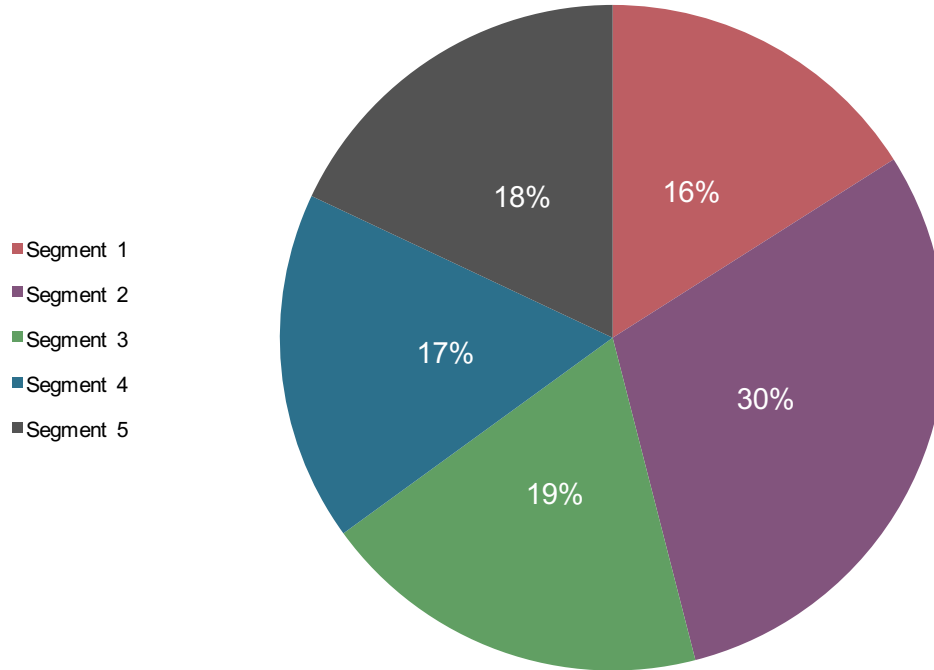




segment solutions

5 segments

segment sizes



segment overview

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attitudes toward environment/energy (top 2 box)

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Environmental challenges like climate change is an important issue	57%	84%	82%	96%	96%
Everyone needs to do their part to ensure the environment is healthy	78%	88%	94%	97%	97%
Even small changes can make a big difference in helping to protect the environment	73%	88%	92%	97%	96%
We should be using energy from clean sources (such as wind, water and solar) to reduce reliance on coal	68%	83%	85%	92%	94%
I am willing to take an extra step if it means being more environmentally conscious	53%	80%	81%	92%	94%
It is important to find alternative energy sources such as solar or wind energy	72%	83%	89%	94%	94%
I believe the state of California should do more to implement smarter, more efficient energy practices	58%	79%	75%	90%	90%
We have to change our lifestyles to reduce energy consumption	58%	78%	78%	89%	91%
I am often the first in my circle of friends/family to adopt energy efficient practices	25%	56%	40%	69%	54%
I play an important role in making my city/state more energy efficient	21%	55%	33%	65%	48%
I am always seeking out more ways to become energy efficient	55%	75%	71%	86%	81%
It is important for others to see me as environmentally conscious	22%	60%	38%	73%	61%
I do everything I can to use as little electricity as possible at home	66%	79%	75%	86%	81%
Making my home more energy efficient is important to me	70%	82%	81%	90%	89%
It frustrates me when I see others being wasteful with their energy usage	53%	74%	74%	85%	87%

attitudes toward environment/energy (top 2 box)

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
It takes too much effort to be energy efficient	20%	35%	12%	31%	10%
We should be spending our time on more important issues than energy efficiency and consumption	35%	41%	20%	35%	14%
I don't really think about where my energy comes from, as long as it's available when I need it	43%	40%	24%	25%	14%
I feel overwhelmed by the amount of information available to me about being energy efficient	31%	45%	28%	40%	25%
I believe the government spends too much money on energy efficient initiatives	31%	38%	20%	31%	10%
It's the responsibility of the government, not individuals, to make sure we have enough energy resources	34%	49%	28%	45%	29%
Climate change is really just a hoax propelled by politics and the media	27%	32%	14%	23%	6%
I'm concerned about the rising cost of energy	86%	83%	86%	85%	84%
We are too dependent on foreign oil	71%	73%	74%	78%	77%
I am proud when I figure out ways to save a few dollars on my energy bill	79%	84%	83%	91%	88%
When given the choice, I opt for more energy efficient appliances/electronics	81%	83%	88%	90%	92%
I want to have more control over my energy (i.e. solar) and not rely on the grid	57%	74%	68%	84%	80%
Average # of energy efficient actions done	10.1	7.8	11.1	9.6	11.5

motivations (maxdiff)

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Cost savings on energy bill	17.19	11.68	11.19	3.64	4.29
Having more energy independence as an individual	6.55	5.35	3.92	3.20	2.55
Desire to help lower carbon emissions	1.95	5.40	4.02	8.73	8.97
Making my home more comfortable (i.e. warmer, dryer, cooler, etc.)	11.63	5.65	4.04	1.53	0.74
Making my home safer (e.g. replacing old/faulty appliances, eliminating dust, etc.)	11.61	7.82	7.38	4.20	3.11
Upgrading my home with technology that can help reduce my energy consumption	7.75	8.21	4.30	7.27	3.90
Being true to my values	6.89	5.08	10.42	3.03	7.81
Being a responsible, thoughtful human	8.57	7.67	14.17	6.53	14.14
Passing responsible values to my family/children	5.06	5.33	10.58	5.65	9.88
Not being wasteful	11.28	8.18	12.60	5.53	11.72
Using energy during times when it can more easily be provided	4.95	5.40	3.48	4.25	2.75
Avoiding the need for additional power plant construction	1.87	4.07	2.17	5.02	3.68
Contributing to a movement to keep my state number one in energy efficiency	0.41	3.37	0.46	7.72	1.96
Helping my state set an example that can be replicated by other states and nations	0.42	3.83	0.63	8.82	3.31
Helping my state meet its 2030 goals of 50% renewable energy and 40% less carbon emissions	0.55	5.23	0.89	13.79	5.67
Not leaving energy issues to the next generation	2.65	4.75	7.04	7.24	10.71
Because I care about California	1.14	3.91	1.53	4.78	3.16

demographics

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Age					
18-24	5%	12%	8%	18%	15%
25-34	13%	28%	20%	28%	24%
35-44	29%	32%	31%	33%	30%
45-54	31%	19%	23%	14%	19%
55-65	23%	10%	16%	9%	10%
Median age	50	39	42	37	37
Average age	49	41	44	39	40
Gender					
Male	52%	54%	45%	54%	43%
Female	48%	47%	54%	47%	55%
Income					
Under \$25,000	15%	17%	15%	18%	17%
\$25,000-\$34,999	12%	12%	12%	12%	12%
\$35,000-\$49,999	13%	15%	13%	14%	14%
\$50,000-\$74,999	20%	19%	21%	16%	17%
\$75,000-\$99,999	14%	14%	14%	16%	14%
\$100,000-\$149,999	16%	15%	14%	17%	13%
\$150,000 - \$199,999	5%	6%	6%	6%	6%
More than \$200,000	4%	3%	4%	3%	4%
Median income (thousands)	55	55	55	55	55
Average income (thousands)	77	72	74	74	73

demographics

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Ethnicity					
African American	6%	8%	6%	4%	5%
Asian	14%	15%	16%	12%	15%
Caucasian	56%	36%	42%	34%	36%
Hispanic/Latino	21%	40%	31%	47%	38%
Native American or Alaska Native	1%	1%	2%	1%	1%
Pacific Islander	1%	0%	1%	1%	1%
Other	2%	1%	2%	1%	2%
Own or rent					
Own	68%	59%	56%	57%	47%
Rent	33%	42%	43%	44%	51%
Monthly Bill					
Average monthly bill	\$119	\$134	\$108	\$130	\$107
Political Party Affiliation					
Democrat	27%	48%	36%	52%	54%
Republican	37%	20%	24%	16%	10%
Independent	22%	20%	24%	19%	21%
Other (specify)	1%	0%	1%	1%	1%
None of the above	8%	8%	9%	7%	7%
Prefer not to answer	5%	4%	6%	6%	5%

segment overview

Segment 1 16%	Segment 2 30%	Segment 3 19%	Segment 4 17%	Segment 5 18%
<i>Care if there's a personal interest, energy efficiency not priority</i>	<i>Aware of issues, but not motivated to do anything</i>	<i>Quiet advocates for change</i>	<i>Talk the talk, don't walk the walk</i>	<i>Talk the talk and walk the walk (Energy steward)</i>
Not social influencer, not involved in community, tech laggard	Spontaneous, tech engaged/influencer, early adopters	More introverted (not active in community or social/tech influencers)	Tech engaged, social influencer, involved in community, more open to change	Less tech engaged, not social influencer
Less open minded, less pride in being Californian	Open minded, proud Californian	Conscious of environmental/energy issues	Open minded, proud Californian	Open minded, proud Californian
Less engaged in environmental/energy issues. Not skeptics but environment/energy not a concern	Conscious of environmental/energy issues but skeptical about efforts and overwhelmed	Acknowledges seriousness of environmental/energy issues	Heightened awareness of environmental/energy issues	Heightened awareness of environmental/energy issues
Not environmentally active/energy efficient	Want change but unsure of specific actions, but believe they play a role	Willing to make changes to be energy efficient but not likely to be leading the way	Actively looking for ways to be more energy efficient, 'believe' they lead the way in adopting energy efficient practices	Altruistic, on the forefront of adopting energy efficient practices
Motivations: primarily financial, but also home upgrades	Motivations: primarily financial, but also home upgrades and not being wasteful	Motivations: intrinsic (thoughtful human being, true to values)	Motivations: greater good (meet state goals, help state set example, lower carbon emissions), willing to sacrifice cost	Motivations: intrinsic, greater good (not leaving energy issues for the next generation, lower carbon emissions)
Awareness of actions: average Actions taken: average Advocacy: average	Awareness of actions: low Actions taken: low Advocacy: low	Awareness of actions: high Actions taken: high Advocacy: high	Awareness of actions: low Actions taken: average Advocacy: average	Awareness of actions: high Actions taken: high Advocacy: high



additional segment solutions

4 & 6 segments

segment overview



cluster migration

4 segment solution vs. 5 segment solution

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Segment 1	71%	8%	21%	-	-
Segment 2	-	79%	-	20%	1%
Segment 3	-	9%	59%	-	32%
Segment 4	-	-	-	51%	49%

cluster migration

5 segment solution vs. 6 segment solution

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Segment 1	88%	-	-	-	-	12%
Segment 2	1%	55%	-	-	1%	43%
Segment 3	1%	0%	83%	-	4%	11%
Segment 4	-	37%	-	63%	-	1%
Segment 5	-	2%	-	9%	86%	3%

next steps

next steps

Priority segments

- Deep dive analyses will be conducted by db5 after alignment on priority segments

Final deliverables

- Executive level report delivered and final presentation w/o March 20